

FULCRUM DISTRESSED OPPORTUNITIES FUND V, LP

FUND IV IRR (SINCE INCEPTION): **+ 80.7%**

Q3 2022

FUND OVERVIEW

Fulcrum Distressed Opportunities Fund V, LP (the "Fund") is a private offering that seeks to generate significant alpha by focusing on inefficient markets and an uncorrelated opportunity set in the distressed and special situations marketplace. Fulcrum focuses on a sizable under the radar asset class composed of insolvency claims, distressed bank debt, litigation and other illiquid instruments. These market areas are difficult to access requiring significant infrastructure and in-practice expertise. The fundamental supply-demand imbalance of this market results in investment opportunities that offer above average risk-reward characteristics. Fulcrum's direct sourcing model provides the Fund with considerable market intelligence and a natural pipeline in a market that is otherwise opaque.

Fulcrum was established in 2007 to take advantage of inefficiencies and dislocations in the global distressed market. Fulcrum has 30 team members with global offices and employees located in 8 cities across the world. Fulcrum is one of the most active illiquid claims traders in the world.

FULCRUM RETURNS⁽¹⁾

FUND I Internal Rate of Return (through 12/31/2015)	FUND II Internal Rate of Return (through 8/31/2022)	FUND III Internal Rate of Return (through 8/31/2022)	FUND IV Internal Rate of Return (through 8/31/2022)
+ 27.6%	+ 17.0%	+ 26.7%	+ 80.7%

\$ 35 US BILLION TRADES SINCE INCEPTIO	32 COUNTRIES PARTICIPATED RESTRUCTURINGS	244 YEARS INVESTMENT TEAM COMBINED EXPERIENCE	1,556 TRADES PROCESSED SINCE INCEPTION	1 OBJECTIVE MARKET LEADING POSITION
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FULCRUM STORY

2010

FUND I

Launched to take advantage of acquiring secondary LP interests in Ponzi schemes along with distressed insolvency claims emanating from the financial crises.

- Notably the first market participant involved in the claims of Madoff, Stanford, MF Global, and many others
- Fund achieved returns of 27% IRR and north of 2.2x MOIC over a 4-year time horizon

2016

FUND II

Launched to take advantage of specific litigation claims arising from one of the largest class action suits in our history.

- Other than a litigation funder early in the case, Fulcrum was the only active market participant
- Single idea trade, uncorrelated strategy; achieved 17% IRR and 1.7 MOIC over 4-year time horizon

2018

FUND III

Launched to take advantage of a global opportunity set in international insolvency claims and specialty litigation.

- Fund III has generated approximately 26% internal rate of return since inception
- Fund achieved returns north of 1.6x MOIC over a 4-year time horizon

2020

FUND IV

Launched to take advantage of global distressed claims and special situations arising from the Covid-19 Pandemic

- Fund IV has generated approximately 80% internal rate of return since inception. Mark-to-market returns
- Goal of generating a net IRR in excess of 20% over a 5-year time horizon

2022

FUND V

Actively seeking partners for our newest fund launch. The Fund aims to take advantage of a global opportunity set arising from rising rates, inflation and global recessionary environment. Fund will focus on trade/insolvency claims, bank debt, private notes, deposits, specialty litigation and other illiquids.

(1) Note: Returns are reflected as IRR, net of expenses, management fees and estimated carried interest allocation. The IRR's reported are calculated for limited partners as a whole. Calculations on an individual owner basis may yield results that vary as a result of difference management fee, carried interest arrangements and side pockets for multiple closings. Calculated using internal Fulcrum data and external data from each Fund's administrator. Fund III returns contain unaudited mark-to-market and mark-to-model residual values. (2) Carried Interest payable after return of capital to investors. American style with catch-up feature.

This summary, furnished on a confidential basis to the recipient, is neither an offer to sell nor a solicitation of any offer to buy any securities, investment product or investment advisory services, including interests in the Fund. Any offering is made only to qualified investors pursuant to the confidential private placement memorandum of the Fund together with limited partnership agreement of the Fund and a subscription application, all of which must be read in their entirety. No offer to purchase interests will be made or accepted prior to receipt by an offeree of these documents.

INVESTMENT THESIS

Fund V will target distressed and special situation illiquids where we have an edge.

- ▶ Distressed bank debt from club deals, bi-lats or other bespoke situations.
- ▶ Insolvency claims from restructurings and liquidations are a core focus as defaults accelerate into a bankruptcy wave
- ▶ Orphaned claims, notes, litigation and other distressed debt is currently attractive especially as tightening liquidity creates more forced sellers

Investment themes

- ▶ **Uncorrelated investments:** offering an organic hedge in times of market volatility
- ▶ **Capping fundraise:** limiting fund assets to \$250 million allows for:
 - Access to the broadest possible universe mid cap situations not in purview of larger funds
 - Ability to maximize secondary liquidity to allow for optimal exit opportunities
- ▶ **Goal of generating a net IRR in excess of 20%**

INVESTABLE UNIVERSE

CORE FOCUS: Generate asymmetric returns in illiquids with an absolute minimum 20% IRR target threshold in base case scenarios.

Geographic and industry agnostic opportunities must pass our internal base case scenario analysis

LOW RISK: 20% minimum IRR

MEDIUM RISK: 30% minimum IRR

HIGH RISK: 50% minimum IRR

Investible Instruments	Target % of Portfolio	Average Correlation to Market	Target IRR
Claims/illiquids	40-60%	Low	25-50%
Bank Debt	15-30%	Medium	20-30%
Bonds/Notes	10-30%	Medium - High	20-30%
Litigation Funding	10-30%	None	35%+



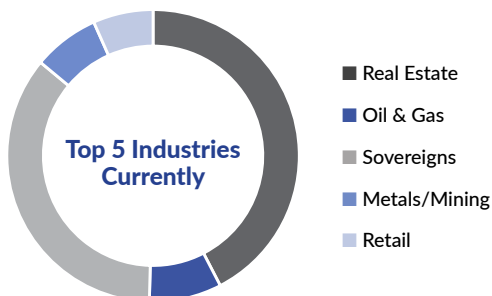
** Note This is a presentation of target portfolio allocations Actual allocations may materially vary and depend on macro economic forces, supply of exposures in the marketplace and relative value of the various possible investments being sourced by the Fulcrum team **

MARKET OPPORTUNITY

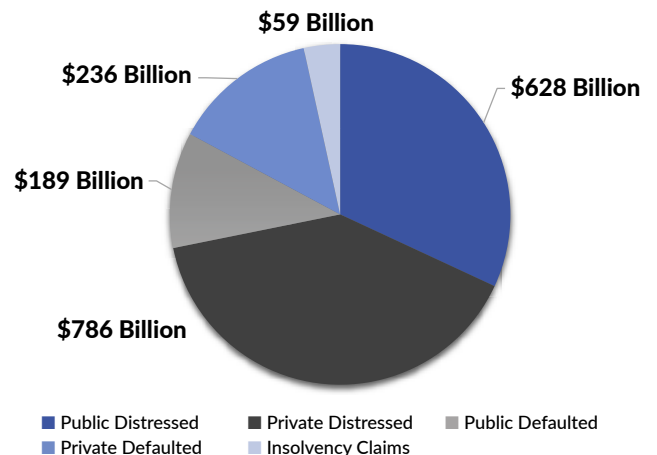
BANKRUPTCY WAVE COMING

(diverse number of industries and sizable number of Issues on a global basis)

Over 700 Billion of distressed private instruments comprise the current opportunity set and as defaults accelerate will likely dwarf any economic period seen in the history of modern markets



TRADABLE INSTRUMENTS CORPORATES



Source: Bloomberg, Edward Altman database, Fulcrum estimates Data as of September 2022

OPPORTUNITY SET

LIQUIDATIONS

LATE STAGE BANKRUPTCIES: Participate in both funded debt and claims with good visibility on assets and liabilities. Expertise on timing liquidation proceedings giving more certainty to the duration of recoveries. International prowess to participate in multiple jurisdictions across the US, Western European and offshore tax haven islands.

Model IRRs = 40-50% | Model MOIC = 1.5-2.5x

LITIGATION

MASS TORT: Opportunistically fund cases portfolios of cases that have existing settlements, confirmed capital in escrow to pay claimants, visibility on settlement ranges, confidence on timing, and bipartisan agreement on outcomes. Aim to leverage relationships with law firms we have worked with previously to find opportunities.

APPRAISAL RIGHTS: Participate in shareholder opportunities with predictable recoveries, clarity on timing (especially in regard to short term returns of our basis), and targeting value stories versus growth stocks.

BANKRUPTCY CLAIMS: Target opportunities with dual paths of recovery via liens against the assets in the estate (to protect downside) while also pursuing numerous litigation angles for potential upside.

INTERNATIONAL ARBITRATION: Selectively target ICSID LCIA cases that have strong precedent by funding components of the associated investment dispute. Strategically partner with law firms across multiple jurisdictions to always have boots on the ground.

Model IRRs = >60% | Model MOIC = >3.0x

INSOLVENCY CLAIMS

FREE FALL BANKRUPTCIES: With the bankruptcy wave coming, Fulcrum to have large core concentrations in medium and large international insolvencies. As usual, we will target both secured and unsecured obligations with a focus on creating seniority and also free options. We will look to hedge both equity and currency to stay uncorrelated.

Model IRRs = 20-50% | Model MOIC = 1.5-4.0x

VENDOR FINANCE

INNOVATIVE VENDOR FINANCE: Fund invoices owned by companies that are liquidity constrained. Factoring and other innovative vendor finance is process of financing invoices today for collection in the future (i.e. Fulcrum buys an invoice for 90 today to collect par in 60 days).

- Seek short term financing opportunities with return of capital in less than a year.
- Look for vendor counterparties who have strategic importance to the obligors.
- Choose stressed but ultimately solvent and strategic counterparties.

Model IRRs = 55% | Model MOIC = 1.6x

CLAIM ENFORCEMENT FINANCE

BANKRUPTCY/ARBITRATION AWARDS: Fund the last leg of recovery for enforcements (ie litigation risk is behind us).

- Focus on cases where other investors are not participating.
- Structure deals to have seniority on monetary distributions, mitigating downside risk.

Model IRRs = 30-60% | Model MOIC = 2.0-3.0x

HARD ASSETS

NICHE HARD ASSET / PURCHASING SALES: partner with firms specializing in the purchase of non commoditized equipment (e.g. textile machinery).

- Select situations where there are several interested buyers at the time of the trade, and we believe we have a clear exit of the investment.
- Extract value out of ancillary assets associated with the purchase.

Model IRRs = 40-65% | Model MOIC = 2.0-3.5x

INVESTMENT TEAM BIO'S

Matthew Hamilton

Co-Portfolio Manager & Partner

Mr. Hamilton has over 19 years of experience in the global distressed market. Prior to founding Fulcrum, he was a Managing Director and Head of Private Debt Trading for APS Capital Corp., a distressed investment boutique focusing on trade claims and bank debt research, sales and trading. Mr. Hamilton started his career at Akin, Gump, Strauss, Hauer and Feld, LLP working in the firm's corporate and securities section. He attended San Jose State University on a Division I baseball scholarship and graduated summa cum laude with a degree in Administration of Justice and a concentration in Finance. He is also a graduate of UC Hastings Law School where he earned his J.D. Mr. Hamilton serves on the Board of Directors of CASA of Travis County, a non profit that serves and advocates for abused and neglected children.

Timothy Bennett

General Counsel

Timothy C. Bennett joined Fulcrum in 2017 after nearly fourteen years of law firm experience. Most recently, he was senior counsel with Seyfarth Shaw and the leader of that firm's Global Distressed, Illiquid and Special Situations Trading practice. Prior to that role, he was an associate in the New York office of the global law firm Clifford Chance. His representative transactions included the acquisition and sale (including by way of auction) of bankruptcy claims, distressed notes, terminated derivative contracts, loan portfolios, shares of restricted stock, interests in liquidating funds, settlements, litigation claims and trades for bank debt of domestic and foreign borrowers under both LSTA and LMA documentation. He regularly analyzed credit agreements, indentures and related documentation, bankruptcy case filings, ISDA agreements, and corporate filings - all in furtherance of advising clients in the development and implementation of their trading and investment strategies. Mr. Bennett received his J.D. and MBA (Finance) from Seton Hall University and his BA (History) from The College of the Holy Cross, and is admitted in New York and Massachusetts.

Timothy Horrigan

Head Trader & Partner

Mr. Horrigan has over 25 years of experience in the global distressed market. Prior to founding Fulcrum, he was a Senior Vice President on the Credit Sales and Trading desk at APS Financial. Prior to joining APS, Mr. Horrigan worked in the Mortgage Strategies group at PaineWebber. He earned his MBA from the University of Texas and graduated with honors from the Michigan Technological University with a Bachelor of Science in Mechanical Engineering. Prior to beginning his career in finance, Mr. Horrigan worked as an Aerospace Structural Design Engineer for both General Dynamics and NASA.

Stuart King

Co-Portfolio Manager & Head of Research

Mr. King serves as Director of Research at Fulcrum. Prior to joining Fulcrum, Mr. King was a senior analyst at Beach Point Capital Management LP, a credit hedge fund focused on stressed/distressed opportunities, where he invested across the capital structure and participated on creditor committees. Before Beach Point, Mr. King was an analyst at Monarch Alternative Capital LP, where he analyzed and invested in distressed/event driven opportunities. Prior to Monarch, Mr. King worked in the Recapitalization and Restructuring group at Jefferies Company, where he helped guide numerous debtor and creditor committees through restructurings as a financial advisor. Mr. King graduated with a degree in Economics from Harvard University.